

(d) Regardless of the score an application receives, if the Agency determines that the Project is technically or financially infeasible, the Agency will notify the applicant, in writing, and the application will be returned with no further action.

§ 1739.17 Scoring of applications.

(a) All eligible applications will receive points for the following scoring criteria:

(1) The rurality of the Project (up to 40 points);

(2) The economic need of the Project's Service Area (up to 30 points); and

(3) The "community-oriented connectivity" benefits derived from the proposed service (up to 30 points).

(b) Scoring criteria:

(1) *The rurality of the project*—up to 40 points.

(i) This criterion will be used to evaluate the rurality of the Community served by the Project, in accordance with the following method of scoring. If a Community is identified in the latest decennial Census, the applicant must use the Census information. If a Community is not identified in the Census but is identified in the latest edition of the Rand McNally Atlas, the applicant will use the Rand McNally Atlas information. Rurality shall be determined by the following criteria:

(A) The 2000 population data contained in the U.S. Bureau of the Census at <http://factfinder.census.gov>; or

(B) The population data contained in the latest edition of the Rand McNally Atlas. If no population data is contained in the Rand McNally Atlas for a community that is recognized in the Atlas, then that community is not eligible for a grant.

(ii) The following categories are used in the evaluation of rurality:

(A) Level 1 means any Community having a population of less than 500 inhabitants.

(B) Level 2 means any Community having a population of at least 500 and not in excess of 1,000 inhabitants.

(C) Level 3 means any Community having a population over 1,000 and not in excess of 2,000 inhabitants.

(D) Level 4 means any Community having a population over 2,000 and not in excess of 3,000 inhabitants.

(E) Level 5 means any Community having a population over 3,000 and not in excess of 4,000 inhabitants.

(F) Level 6 means any Community having a population over 4,000 and not in excess of 5,000 inhabitants.

(G) Level 7 means any Community having a population over 5,000 and not in excess of 10,000 inhabitants.

(H) Level 8 means any Community having a population over 10,000 and not in excess of 20,000 inhabitants.

(iii) Each application will receive points based on the location of the facilities financed using the definitions in paragraphs (b)(1)(i) and (b)(1)(ii) of this section.

(A) For a Service Area that includes a Level 1 Community, it will receive 40 points.

(B) For a Service Area that includes a Level 2 Community, it will receive 35 points.

(C) For a Service Area that includes a Level 3 Community, it will receive 30 points.

(D) For a Service Area that includes a Level 4 Community, it will receive 25 points.

(E) For a Service Area that includes a Level 5 Community, it will receive 20 points.

(F) For a Service Area that includes a Level 6 Community, it will receive 15 points.

(G) For a Service Area that includes a Level 7 Community, it will receive 10 points.

(H) For a Service Area that includes a Level 8 Community, it will receive 5 points.

(2) *The economic need of the Project Service Area*—up to 30 points. This criterion will be used to evaluate the economic need of the Service Area. Applicants must utilize the median household income (MHI) for the Community serviced and the state in which the Community is located, as determined by the U.S. Bureau of the Census at <http://factfinder.census.gov>. If the community was qualified using the Rand McNally Atlas, the applicant must use the MHI, contained in the decennial census, of the county in which the Community resides as the Community

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MHI. Applicants will be awarded points as outlined below for service provided in the Community where the MHI is less than 75 percent of the state MHI:

(i) MHI is 75 percent or greater of state MHI; 0 points;

(ii) MHI is less than 75 percent and greater than or equal to 70 percent of state MHI; 5 points;

(iii) MHI is less than 70 percent and greater than or equal to 65 percent of state MHI; 10 points;

(iv) MHI is less than 65 percent and greater than or equal to 60 percent of the state MHI; 15 points;

(v) MHI is less than 60 percent and greater than or equal to 55 percent of the state MHI; 20 points;

(vi) MHI is less than 55 percent and greater than or equal to 50 percent of the state MHI; 25 points;

(vii) MHI is less than 50 percent of the state MHI; 30 points;

(3) *The “community-oriented connectivity” benefits derived from the proposed service—up to 30 points.*

(i) This criterion will be used to score applications based on the documentation in support of the need for services, benefits derived from the services proposed by the Project, and local community involvement in planning and implementation of the Project. Applicants may receive up to 30 points for documenting the need for services and benefits derived from service as explained in this section.

(ii) The Agency will consider:

(A) The extent of the applicant’s documentation explaining the economic, education, health care, and public safety issues facing the community and the applicant’s proposed plan to address these challenges on a community-wide basis;

(B) The extent of the Project’s planning, development, and support by local residents, institutions, and community facilities will be considered. This includes evidence of community-wide involvement, as exemplified in community meetings, public forums, and surveys. In addition, applicants should provide evidence of local residents’ participation in the Project planning and development;

(C) The extent to which the Community Center will be used for instructional purposes including Internet

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usage, Web-based curricula, and Web page development; and

(D) Web-based community resources enabled or provided by the applicant, such as community bulletin boards, directories, and public web-hosting.

§ 1739.18 Grant documents.

The terms and conditions of grants shall be set forth in grant documents prepared by the Agency. The documents shall require the applicant to own all equipment and facilities financed by the grant. Among other matters, the Agency may prescribe conditions to the advance of funds that address concerns regarding the Project feasibility and sustainability. The Agency may also prescribe terms and conditions applicable to the construction and operation of the Project and the delivery of Broadband Transmission Service to Rural Areas, as well as other terms and conditions applicable to the individual Project.

§ 1739.19 Reporting and oversight requirements.

(a) A project performance activity report will be required of all recipients on an annual basis until the Project is complete and the funds are expended by the applicant. Recipients are to submit an original and one copy of all project performance reports, including, but not limited to, the following:

(1) A comparison of actual accomplishments to the objectives established for that period;

(2) A description of any problems, delays, or adverse conditions which have occurred, or are anticipated, and which may affect the attainment of overall Project objectives, prevent the meeting of time schedules or objectives, or preclude the attainment of particular Project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and

(3) Objectives and timetable established for the next reporting period.

(b) A final project performance report must be provided by the recipient. It must provide an evaluation of the success of the Project in meeting the